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1. The Hungarian milling and milling machine industry, by Soviet wish, has had no new development and since 1951 has been repressed in every way. This industry formerly was regarded highly throughout Europe, and Hungary exported large quantities of mill equipment and machinery. The Hungarian mills ran at full capacity during the Second World War. Being unable to renew their equipment and keep up maintenance work, they were in bad condition at the end of the war. Nothing could be done then about improvements because of the Soviet occupation. The occupation forces commandeered all the grain supplies that they could lay hands on, and the Hungarian mills had to work day and night to grind them. In this way the mills sustained further great damage.
2. In 1946 to 1947, when the Hungarian Government still stood by the system of private ownership, a good many of the mills were renovated by their owners, although not much really modern new machinery was bought, because it was not to be had. Then came the time of nationalization. The large mills were first confiscated or taken over by the Communist Party. Owners who resisted were arrested and sent to prison as saboteurs. Eventually it was determined to nationalize all the mills, down to the smallest village establishment.
3. Besides a few small plants, there were four large factories that manufactured milling equipment in Hungary. They were: Hefner & Schrantz, the Ganz Works, EMAG (Első Magyar Gézipari Vállalat), and Hugl-Graepel.
4. Hoffner & Schrantz was taken over after the war by the Soviet Government, on the ground of being German property, and under the name "Red Star" was converted into a tractor factory for tractors and military prime movers. At the present time it is engaged in the production in series of Soviet "Stalinek" caterpillar tractors. Its role is to furnish tractors for the farm cooperatives and kolkhozes.

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The manufacture of milling machinery has entirely stopped.

5. The Ganz Works are not making milling machinery because they are completely occupied with the production of reparations goods for the Soviet Union.
6. EMAG makes a small amount of milling machinery. In the past two years no domestic orders for milling machinery worth noticing have been received and no export deliveries of importance have been made. There are no buyers today for Hungarian milling machinery. The only export deliveries in these years went to Israel, and this business has ended since EMAG changed to the manufacture of harvesting machines and now for some months has engaged in the production of Soviet Combine-model harvesters. The gear plant of the EMAG has been enlarged and equipped with modern machinery in order that the other reparations producing and equipment plants may be kept supplied with sufficient quantities of different gears. The number of workers in this department has been greatly increased and work is carried on day and night according to the Stakhanov system.
7. The firm of Hugo Kraepel remained longest in private ownership. It belonged to English industrialists who had been able to continue operating until 1950, when it came to the verge of financial ruin and was nationalized as a "favor." It was a small plant that made the smaller kinds of milling machinery and equipment.
8. A new development or rebuilding of the Hungarian milling machinery is not to be expected. In the first place, the Soviet Union is not interested in it. The Hungarian experts are informed that the industry is also stagnated in the Soviet Union. The Russians are satisfied with conditions in this field. Not a single new model of milling installation or machinery has been brought out in Hungary in the last seven years. The Russians declare at every opportunity that they do not need such machinery from their satellites. Hungarian experts have established repeatedly that the Soviet machinery is a poor copy of Hungarian and German models of 30 years ago. It is polished and smartly finished, but badly and weakly constructed. No Soviet machinery has as yet been installed in Hungarian mills. It has been seen only on display in Budapest, and was only viewed from a distance by the experts and public. No one was allowed to try out the machinery.

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